

**TERMS OF REFERENCE
for External Examination of
Economic Analyses Related to Amendment #13
to the NEFMC s Multispecies FMP**

Background

A required Draft Supplemental Environmental Impact Statement (DSEIS) was developed by the New England Fishery Management Council (Council) for Amendment 13 to the Multispecies Fishery Management Plan (FMP). This was the source document and basis for the summary Public Hearing Document that was distributed at the Council-managed public hearings this fall.

The economic and socioeconomic sections of the DSEIS were developed jointly by staff of the Council and the Social Sciences Branch of the Northeast Fisheries Science Center. The requirements for assessing regulatory impacts are found in several statutes and Executive Orders, including the Magnuson-Stevens Fishery Conservation and Management Act (M-SA), Executive (EEO) 12866, the National Environmental Policy Act (NEPA), the Paperwork Reduction Act (PRA), the Regulatory Flexibility Act (RFA), and the Administrative Procedure Act (APA).

The M-SA contains ten National Standards that must be met in the specification of alternatives for FMPs, amendments, framework actions, and specification-setting exercises in order for them to be approved. Guidelines for meeting these standards were published on May 1, 1998, and codified at 50 CFR Part 600. In addition, NOAA has published "Guidelines for the Economic Analysis of Fishery Management Actions" (revised August 2000).

At its 4-6 November 2003 meeting, after consideration of the public comments received, the Council recommended to NOAA Fisheries a suite of management measures to be implemented by Amendment 13 to the FMP. The Groundfish Plan Development Team (PDT), which developed the DSEIS, modified it based on the decisions the Council made. The final draft will be sent out for public comment one last time. With many of the details identified, a more focused analysis of the likely impacts of the preferred alternative was possible. Some applications have been modified because of this greater specificity, but the fundamental econometric, mathematical programming, and input/output models, etc., underlying the analyses have not been altered and no new economic data has become available to the PDT.

Terms of Reference and Statement of Work

1. The independent expert shall address the following questions related to the DSEIS:

A. Are the economic analyses in the DSEIS scientifically sound, based on the following considerations:

- " appropriateness of the data used;
- " assumptions made in study design, data collection, and analytical methods;
- " overall approach to analyzing the impacts of each alternative and the economic and statistical methods and models employed in each analysis;

- " accuracy, relevance and applicability of findings of impacts on fishing communities; and
- " completeness of analyses given the available data, and as compared to other DSEIS for fishery management actions?

B. To what extent do the results in the DSEIS effectively compare economic impacts, overall and on individual communities?

C. Give your concise conclusion about the economic impact of the alternatives analyzed in the DSEIS, in terms of gross and net revenues and employment in the short term, long term, and overall:

- " relative to each other;
- " relative to conditions in the year 2002 (the most recent year for which complete economic data are available);
- " relative to economic conditions since 1986 (the first year considered in the analysis); and
- " on specific ports, gear sectors, shoreside industries and communities.

D. Does the DSEIS provide information on the likely economic impacts on communities in absolute terms (as opposed to providing comparative analyses) and on allocation consequences of the alternatives? If so, provide a concise summary of your interpretation of this information. If not, would you expect such information based on your knowledge of other DSEIS for fishery management actions?

2. The final report shall consist of the external reviewer s responses to the statements/questions above and shall include supporting materials. Each reviewer shall submit his/her final report directly to Dr. William Hogarth, Assistant Administrator for Fisheries.